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REMARKS

Claims 1-33 are pending in this application. Claims 1-33 stand rejected. Claims 1, 2, 7-9, 11-13, 18-20 and 22-33 have been amended.

The Examiner's objection to the drawings has been noted. A proposed corrected Figure 3 is submitted herewith.

In paragraph 3 of the Office Action, the Examiner rejected claims 1-33 under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 1, 12 and 23 have been amended to include proper antecedent basis and to better define the claimed invention.

In paragraph 5, the Examiner rejected claims 12-33 under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Applicants traverse this rejection.

Claims 12-33 are computer program product claims, which are articles of manufacture. *See In re Lowry*, 32 USPQ2d 1031 (Fed. Cir. 1994). Applicants have amended claims 12-33 to better define the claimed invention.

In paragraph 7, the Examiner rejected claims 1-2, 6-13, 17-24, and 28-33 under 35 U.S.C. 102(b) as being anticipated by Hirady. In paragraph 9, the Examiner rejected claims 3-5, 14-16 and 25-27 under 35 U.S.C. 103(a) as being unpatentable over Hirady in view of Jones.

Amended claim 1 now recites:

1. (Currently Amended) A method for determining a billing rate of a mobile telecommunications connection associated with a mobile telecommunications unit (MU), comprising the steps of:

determining whether a location of the MU is inside or outside a predetermined subsidized zone;

responsive to a determination that the location of the MU is inside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a first predetermined billing rate;

responsive to a determination that the MU is outside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a second predetermined billing rate.

These claimed features enable telephone service providers and/or commercial establishments to provide an incentive to subscribers to place or receive a mobile telephone calls or use mobile telecommunications data services from dynamically specified geographic locations.

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Hirady discloses a cellular phone advertising system, which provides automatic selective commercial advertisement to various subscribers. Col. 1, lines 31-34. The system includes a central station having an accumulator for accumulating the number of ads that a particular subscriber has received and heard. Col. 4, lines 38-41. This ad information is sent to an accounts server, which adjusts the subscriber's bill based on the number of ads received and heard. Col. 4, lines 42-44.

Jones discloses a notification system that enables a user to define a preset notification time period when the user is to receive a notification message prior to arrival of a vehicle at a vehicle stop. Col. 3, lines 15-19.

Neither Hirady nor Jones, taken alone or together, show or suggest the claimed features of "responsive to the determination that the location of the MU is inside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a first predetermined billing rate" and "responsive to the determination that the MU is outside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a second predetermined billing rate."

For example, imagine a scenario where a subscriber enters a predetermined subsidized zone, establishes a telecommunications connection for 40 minutes and receives a single one-minute ad. Based on this scenario, the Hirady system would reduce the subscriber's bill by an amount equal to one minute multiplied by a predetermined billing rate. By contrast, Applicants' claimed invention would reduce the subscriber's bill by an amount equal to 40 minutes multiplied by a first predetermined billing rate when the subscriber is inside the subsidized zone and 40 minutes multiplied by a second predetermined billing rate when the subscriber is outside the predetermined subsidized zone.

The reason for these strikingly different outcomes is that Hirady is solving a different problem than Applicants. Hirady is concerned with providing incentive to subscribers to receive and listen to ads, while Applicants are concerned with providing incentive to subscribers to establish telecommunications connections within certain subsidized areas, such as zones that have less communication traffic, or that contain certain commercial establishments, which can use the reduced billing rates to entice customers to visit the establishments and buy their products or services (e.g., a coffee house).

The failure of the cited references to show or suggest each and every element of claim 1 vitiates any basis for rejection under 35 U.S.C. 102(b) and 103(a). Applicants respectfully request withdrawal of the rejection of claim 1 and allowance of claim 1, as amended.

Claims 2-11 depend from claim 1 and include all the limitations of claim 1. Therefore, claims 2-11 are allowable for at least the same reasons as claim 1 and for the additional subject

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matter contained therein. Applicants respectfully request withdrawal of the rejections of claims 2-11 and allowance of claims 2-11, as amended.

Claims 12 and 23 include similar distinguishing limitations as claim 1 but are directed to a system and computer program product, respectively. Therefore, claims 12 and 23 are allowable for at least the same reasons as claim 1 and for the additional subject matter contained therein. Applicants respectfully request withdrawal of the rejections of claims 12 and 23 and allowance of claims 12 and 23, as amended.

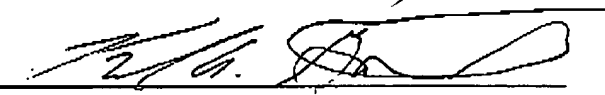
Claims 13-22 and 24-33 depend from claims 12 and 23, respectively, and include all the limitations of claims 12 and 23. Therefore, claims 13-22 and 24-33 are allowable for at least the same reasons as claims 12 and 23 and for the additional subject matter contained therein. Applicants respectfully request withdrawal of the rejections of claims 13-22 and 24-33 and allowance of claims 13-22 and 24-33, as amended.

Applicants submit that this application, including all pending claims, is now in condition for allowance. Reconsideration and allowance of this application is hereby solicited

Respectfully submitted,

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Dated: May 12, 2003

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Method and Apparatus for Location-Sensitive,
Subsidized Cell Phone Billing
Inventors: Hirohisa A. Tanaka *et al.*
Atty. Docket No.: 20662-07121
Sheet 3 of 5

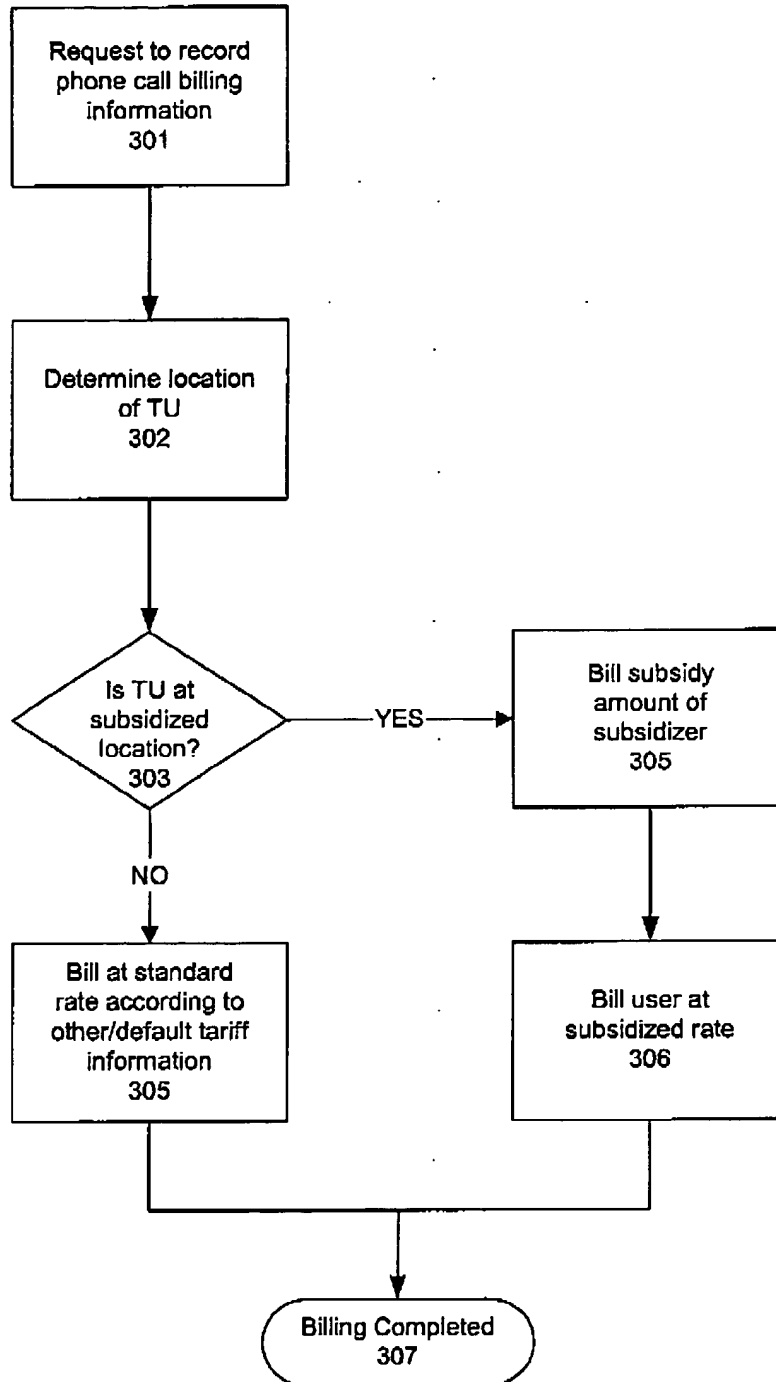


Fig. 3